

**SB 1398 (DeSaulnier)**  
**As Introduced – February 19, 2010**

**OAKLEY REDEVELOPMENT AGENCY: TAX INCENTIVES**  
**Fact Sheet**

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**SUMMARY**

SB 1398 is a district specific bill that will provide greater financial benefits to the Oakley Redevelopment Agency to host a power generating facility. Communities that are willing to host these facilities should be provided adequate resources to address any and all impacts that may arise and to provide additional benefits to the community.

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**BACKGROUND**

SB 1317 (Torlakson) of 2006 provides cities and counties with an incentive to approve construction of new power plants. Under existing law, a local jurisdiction hosting a power generation facility is able to capture additional property tax revenues to assist in providing local community services to their residents and to provide an incentive to host such facilities.

Existing law does not recognize that some power generating facilities are sited within redevelopment project areas governed by local redevelopment agencies. Under current law, the tax increment allocated to the Oakley Redevelopment Agency from a new power generating facility would be exceptionally small (approximately 0.05%). SB 1398 will remedy this oversight by adding the Oakley Redevelopment Agency to the current definition of where power generating facilities can be located for the purpose of directing a portion of these new property tax revenues toward the revitalization efforts of the redevelopment agency.

This bill will help the Oakley Redevelopment Agency, which is currently planning to host a new, state of the art, air cooled, 600 megawatt power generation facility, the Oakley Generating Station (OGS). The power generating facility will provide

substantial jobs during the construction phase of the facility and provide needed energy to serve Californians. Existing law creates a disincentive to locating these projects within the boundaries of redevelopment agencies.

Particularly during these times of economic hardship, cities, counties and redevelopment agencies that are willing to host these facilities should be provided increased opportunities for revenues to support local services and to provide additional benefits to the host communities.

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**PREVIOUS LEGISLATION**

SB 1317 (Torlakson) of 2006 created the current incentive for cities and counties to approve new power plants by allocating additional property tax revenues to the host communities of public utilities that are constructed after January 1, 2007.

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**THIS BILL**

SB 1398 is a district bill for the City of Oakley that will provide greater financial benefits to the Oakley Redevelopment Agency to host a power generating facility. This bill adds the Oakley Redevelopment Agency to the current definition of where power generating facilities can be located for the purpose of capturing additional property tax revenues, and will provide the Agency with additional resources to meaningfully address revitalization within the Project Area.

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**STATUS**

April 19<sup>th</sup> – Senate Local Government Committee Hearing

## **SUPPORT**

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- City of Oakley (sponsor)
- Oakley Redevelopment Agency (sponsor)
- Contra Costa Building and Construction Trades Council
- Diablo Water District
- Ironhouse Sanitary District
- Oakley Chamber of Commerce

## **OPPOSITION**

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- California Special Districts Association

## **FOR MORE INFORMATION**

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